



CITY OF DURHAM | NORTH CAROLINA

Date: December 4, 2012

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Kevin Dick, Director – Director, Office of Economic and Workforce Development
Grace Dzidzienyo, Senior Economic Development Manager
Peter Coyle, Senior Economic Development Coordinator
Subject: Amendment to the Building Improvement Grant Contract with AnnMc Multimedia Properties, LLC

Executive Summary

This item recommends the approval of a contract to amend the agreement between AnnMc Multimedia Properties, LLC and the City of Durham related to the Building Improvement Grant awarded to AnnMc Multimedia Properties, LLC on December 19, 2011.

Recommendation

The Office of Economic and Workforce Development (OEWD) recommends that the City Council authorize the City Manager to:

1. Hold a public hearing on the proposed amendment to an economic development economic incentive agreement per G.S. 158-7.1; and
2. Execute an amendment to the Building Improvement Grant agreement between AnnMc Multimedia Properties, LLC and the City of Durham dated December 19, 2011 to extend the contract from an end date of December 19, 2012 to March 19, 2013.

Background

On December 19, 2011, the City Council approved a Building Improvement Grant of \$62,000.00 for economic incentive improvements to a building located at 112 Hunt Street, in Durham.

Issues and Analysis

In a letter dated November 28, 2012, AnnMc Multimedia, LLC informed OEWD that it will be unable to complete the building improvement project by December 19, 2012, the completion date provided in the original Agreement. In the letter, the company provided the following reason:

The project is a four phase project. The contractor employed by the grantee failed to complete the first two phases of the project on schedule. As a result of a dispute between the grantee and the contractor, the grantee ended his contract with the original contractor. The time required to identify and enter into an agreement with a new contractor, along with the delay resulting from the original contractor's failure to maintain the project schedule, has made it impossible for the grantee to complete the project by the December 19, 2012 deadline. He requests a three month extension of the contract.

The improvement of the building at 112 Hunt Street will contribute to economic development in the Downtown area and the adaptive reuse of a previously vacant property. Although one of the objectives of the Building Improvement Grant Program is to fund projects to be completed within twelve months, staff recommends approval of the extension because such an approval would be consistent with the Downtown Master Plan and the Citywide Strategic Plan goal for a strong and diverse economy.

Alternatives

The City Manager may choose to reject the recommendation to extend the agreement or to approve a different length of time for the extension. Such decisions may impact the abilities of this project to meet the broader visions of the aforementioned plan and the ability of the project to be an important part of redevelopment at the northern end of the Downtown area.

Financial Impact

Extending the contract by three months will have no financial impact as the amount of the grant will not change.

SDBE

An SDBE summary is inapplicable because no project-specific goals have been set and no SDBE's are involved in this item.

Attachments:

Amendment to Agreement between AnnMc Multimedia Properties, LLC and the City of Durham for Building Improvement Incentives for Economic Development.